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CENTRAL INTELLIGENCE AGENCY  
OFFICE OF NATIONAL ESTIMATES

19 May 1962

MEMORANDUM FOR THE DIRECTOR

SUBJECT: The Situation in Guatemala\*

SUMMARY

1. President Ydigoras has apparently weathered his worst political crisis to date, but popular dissatisfaction with his administration remains high and the odds on his ability to serve out the remaining two years of his term are no better than even.

2. Ydigoras' resignation was demanded by three political parties ranging from the non-Communist left to the far right, but the situation was rendered critical by rioting led by Communist-inspired student groups. These disturbances have subsided, but will probably recur if, as seems likely, Ydigoras takes no effective action to reform his administration.

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The substance of this memorandum has been discussed with OCI and DDP.

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DOCUMENT NO. 59  
NO CHANGE IN CLASS. ☐  
~~DECLASSIFIED~~  
CLASS. CHANGED TO: TS S C  
NEXT REVIEW DATE:  
AUTH: HR 70-2  
DATE: 25 JUN 1980

REVIEWER:

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GROUP 1  
Excluded from automatic  
downgrading and  
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3. The military now support Ydigoras, but without much conviction and mainly because no agreeable alternative is in sight. Rather than cope with new public disorders, they might depose him in favor of his constitutionally designated successor or of a temporary military junta.

4. In any case, the present dissatisfaction with the Ydigoras regime has favored the leftward political trend in Guatemala. The Communists profit from this effect. Although their number is small, they have shown themselves adept in seizing at least temporary leadership of antiregime agitation and demonstrations.

#### DISCUSSION

5. The recent crisis began in March, with student demonstrations in the capital city denouncing fraud in the December congressional elections. Communist agitators quickly transformed these demonstrations into serious riots. Ydigoras' security forces restored order, but police brutality provoked widespread popular revulsion and demands for the President's resignation. The deaths of several students in early April, after a clash with military police, rekindled

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the crisis. Until recently, the three main non-Communist opposition parties, along with some professional, labor, and student groups, persisted in demands for Ydigoras to step down.

6. Since late 1961, small guerrilla groups have been operating in the countryside. These groups are Communist-influenced and have received some financial assistance from Cuba and from exiles in Mexico. They do not constitute an immediate threat to Ydigoras, but their potential for causing serious trouble will grow if disaffection in the cities continues to increase.

7. The present trouble is rooted in the many grievances against Ydigoras which have accumulated since he was elected in 1958, and reflects a generally leftward trend in Guatemala. By Latin American standards, Ydigoras has run a relatively democratic government, but he has failed to provide vigorous and constructive leadership and is generally held responsible for the country's lack of momentum and progress in recent years. The President has aroused bitter criticism by permitting extensive graft and corruption from which he and his family and friends obviously and abundantly benefit. His own salary and perquisites are thought to be excessive. He has made enemies across the political spectrum,

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many of them members of groups which he has chosen to use at one time or another and subsequently cast aside. Many politicians no longer consider the President trustworthy.

8. The major political opposition to the President comes from three non-Communist parties: the moderate leftist Revolutionary Party, the small Christian Democratic Party, and the rightist National Liberation Movement. These parties have no overall leadership or program for government, but work together in a loose alliance based solely on their mutual desire to remove Ydigoras from power. Only the Revolutionary Party commands any considerable popular support; it may be Guatemala's largest. The success of these parties in stimulating popular disaffection owes much to the parallel agitation carried out by the small Communist groups.

9. The Communist Guatemalan Labor Party is insignificant in numbers -- some one thousand out of Guatemala's population of four million. However, Ydigoras, despite, his strong stand against international communism, has allowed the local Communists considerable freedom of action, as competitors to the leftist Revolutionary Party, which he regards as a more serious threat to his regime. Nevertheless, in the recent disorders the Communists came out

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against Ydigoras and proved themselves able to seize at least temporary leadership of agitation involving students and labor unions.

10. The President is not without important political assets. The two parties supporting him -- his own National Democratic Reconciliation Party and what is left of the late Castillo Armas' political organization -- control nearly two-thirds of the seats in the legislature. Ydigoras is a shrewd and experienced politician who can make clever use of divide-and-rule tactics. He is aware of the fundamental differences among the three opposition parties. He is probably counting on playing them off against each other, and also on their growing fear of the local Communists. Moreover, Ydigoras continues to command considerable popularity among the peasants. Although he has not called on his machete-wielding adherents in recent months -- probably to avoid antagonizing the security forces -- he can still do so.

11. Ydigoras' greatest asset at the moment is the continued support of the military. They are not so much sold on the President as fearful of what might transpire if he were to go. Like other Latin American military establishments, they would probably act

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forcefully to prevent a Communist takeover. Although the Guatemalan armed forces did support the Communist-infiltrated regime of President Arbenz, the present leaders' awareness of what Castro did to the professional officer corps in Cuba must weigh heavily in their thinking.

12. Ydigoras has adamantly refused to resign. For a while he sought to placate the opposition by promising governmental reform and by offering them a place in his administration. This attempt failed. The President thereupon filled all but one cabinet post with officers from the armed forces. In order to restore civilian government, a group of nonpartisan professional and business leaders then offered to participate in the cabinet in return for Ydigoras' pledge to reduce graft and corruption, to improve administrative efficiency, to undertake measures aimed at economic and social progress, and to initiate a strong anti-Communist campaign. Ydigoras agreed to this proposal, but it has not been implemented, mainly because the nonpartisans have not yet been able to agree among themselves regarding the composition of a cabinet. Meanwhile, the military are becoming fond of their cabinet positions and probably reluctant to relinquish them.

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13. The recent agitation has now subsided -- probably because the opposition parties desire to avoid outright military suppression. The opposition remains convinced that it could win a free election and desirous of getting rid of Ydigoras before the next election is held. If, as now seems likely, Ydigoras should fail to reform his administration, he would also antagonize the nonpartisans now willing to support him. Although the non-Communist opposition is now worried by the Communists' assumption of leadership in the recent disorders, they would probably seize any opportunity presented by continuing popular dissatisfaction to make another attempt to unseat Ydigoras. The Communists, for their part, will certainly be alert to exploit the existing situation to foment new disorders.

14. Thus the prospect is for continued plotting, new demonstrations, and further violence. Ydigoras may react by resorting to more repressive measures than he has in the past, and in so doing he may retain military backing at least for a while. However, his chances of lasting out his term are probably no better than even. The chances for new crisis like the recent one will be enhanced by the political tensions likely to accompany preparations for the national elections scheduled for late next year.

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15. Ydigoras is not likely to be directly overthrown by violent revolution, but a renewal of serious public disorder might lead the military to conclude that it would be more dangerous to uphold the President than to depose him. In that case, the military might set up a provisional junta in which control was shared with a few civilians. There is a good chance, however, that they would let Ydigoras' legal successor, Colonel Ernesto Molina Arreaga,\* take office, exercising control from the background. This solution, following the Argentine example, would enable the successor government to claim compliance with the constitution, having in mind the importance of this consideration in relation to US aid. Leadership of the non-Communist opposition would probably approve of this solution in that -- if the law were complied with -- it would provide for national elections within four months.

16. The outlook for Guatemala under a provisional government headed by Molina would not be bright, though it would probably be better than under a junta. Before the euphoria of change had worn off, pulling and hauling among civilian and military leaders would

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\* In March of each year the President calls upon the Congress to approve of two new "presidential designates" from a list of four names which he has selected. The first is Molina, the second, Ruben Flores Avendano, a former president of the Congress.

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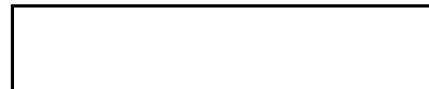


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probably produce an extremely unstable situation such as that which obtained in 1957 after the assassination of President Castillo Armas.

17. Former President Juan Jose Arevalo would figure prominently in such a situation. He was elected President following the overthrow of the Ubico dictatorship in 1944, served a full term, and was succeeded by Jacobo Arbenz. Arevalo is still greatly respected by many Guatemalans as a symbol of the Revolution of 1944 and its promise of political and social reform. In recent years Arevalo has disassociated himself from the Communist-ridden Arbenz regime and has come out strongly against Fidel Castro, with whom Arbenz is now allied. However, despite this stand against communism, he has persisted in maintaining personal relations with individual Communists whose reformist zeal he admires. Arevalo will again become legally eligible to the Presidency in March 1963. If he should be returned to power, his second administration would certainly be strongly nationalist and socialist, but perhaps more on guard against Communist infiltration than was the first.

FOR THE BOARD OF NATIONAL ESTIMATES:



SHERMAN KENT  
Chairman

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